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OVERVIEW 1988-89

Overview

In July, 1988, as part of the Government's regional development strategy to build a resilient and diversified economy in British Columbia, the Ministry of Regional Development was restructured. The Minister of Regional Development was given responsibility for regional development and diversification throughout British Columbia, with five Ministers of State responsible for development and diversification, as well as the delivery of government programs, in their respective regions.

Under the regional development strategy, people in the eight economic regions of the province helped to define the role of the Provincial Government, as well as defining their own role, in developing the local economy and infrastructure.

Local people in all regions volunteered thousands of hours of their time to sit on committees and task forces dealing with local issues such as economic development, health care, education and transportation.

This emphasis on regional input and local decision-making enabled the Ministry to make changes to its programs and services to better suit the needs of the people and the businesses of British Columbia.

Examples of initiatives include:

- Business incentive programs, including the Small Business Venture Capital Program, the Regional Seed Capital Program, the Small Business Incentive Program, the Industrial Development Program, and the Tourism Industry Development Program, helped to foster economic growth and diversification in all eight development regions, as well as create and preserve hundreds of jobs.

- The Ministry of Regional Development and the Ministers of State were closely involved in the provincial transportation planning process "Freedom to Move." Regional Transportation Planning Committees in each of the development regions are playing a key role in assessing the transportation needs of their communities with a view to ensuring appropriate infrastructure for future regional development and diversification.

- The Ministry completed a major study of solid wood products and produced a report "A Value Strategy for B.C. Solid Wood Products" which concluded that $1.2 billion in additional revenues could be generated by industry focusing on value added production.

- The Ministry opened new Access Centres in Nanaimo and Terrace to provide community oriented "one-stop shopping" for government information and services, and is continuing with plans for more Access Centres throughout the Province.

- The Program for Educational And Entertainment Television Services (PEETS) provided grants to enable 64 British Columbia communities to upgrade their communications systems and/or gain access to the Province's Knowledge Network.

- The Community Organizations for Economic Development Program provided financial assistance to 51 Business Development Commissions and Committees and funded 112 special projects.

- The Ministry, along with the Ministry of Environment, established the Task Force on Environment and Economy to examine new directions in sustainable development for British Columbia.

- Through the B.C. Business Network, a network of business databases, the Ministry, along with the Ministry of International Business and Immigration, ensured that all regions of the Province had

access to national and international business opportunities.

- Business Information Centres, a joint initiative of the Ministry and local Chambers of Commerce in 80 locations throughout the Province, provided small business people with basic information, as well as a first point of access to assistance programs and services available from Government agencies.

- The Ministry continued to foster the development of the B.C. advanced technology industry, with emphasis placed on knowledge-based industries, electronics, aerospace and value-added wood processing.

MISSION, PRINCIPLES AND STRATEGIC PRIORITIES

Mission

It is the mission of the Ministry of Regional Development and Ministers of State to foster environmentally sound economic growth and diversification and to ensure access to Government services in all regions of the Province.

Principles

In carrying out this mission, the Ministry of Regional Development and the Ministers of State are committed to the following principles:

- emphasis on the development of all regions of the Province;
- leadership and involvement of MLAs, local governments and regional development groups;
- sharing responsibilities and benefits of regional development with Native peoples;
- understanding that sustainable economic growth depends on a healthy and well-managed environment in all regions;
- protecting our rich endowment of natural resources for future generations of British Columbians;
- providing excellence in the delivery of Government services;
- freeing up the private sector to lead economic growth and job creation;
- emphasizing communication, consultation and consensus by the people of the regions.

Strategic Priorities

The major strategic priorities for the Ministry of Regional Development and Ministers of State are as follows:

- To foster environmentally sound economic growth and development and promote economic diversification in all regions of the Province.
- To manage, develop and promote a world class system of parks in a manner that is supportive of regional economic development initiatives.
- To manage and allocate public lands in the most beneficial way to ensure access for industry, commerce, settlement and conservation uses.
- To promote the economic, cultural and social development of Native peoples.
- To protect British Columbia's interests in federal/provincial and interprovincial arrangements and ensure that the Province receives an equitable share of federal regional development, diversification and procurement expenditures.
- To facilitate effective channels of involvement and input between regions and line ministries involved in economic development and in the funding and delivery of health, education and other social services.
- To ensure effective communications between Government and the regions and to facilitate a good public understanding of and access to Government programs and services in all regions.

MINISTRY OF REGIONAL DEVELOPMENT

Business Development Division

The Business Development Division is responsible for encouraging and stimulating industrial and business growth and diversification. The Division evaluates, assesses and implements development projects and initiatives and provides advocacy and advice for a variety of industry and business initiatives which promote investment or remove impediments to provincial or regional development and diversification.

The Division provides help for local, government, and development organizations promoting community and regional development, as well as for the development and improvement of tourism businesses and services throughout the Province.

Six key business development programs help private sector initiatives.

They are:

- Business Information Centre (BIC) Program with local Chambers of Commerce;
- Community Organizations for Economic Development (COED) Program;
- Home-Based Business Program;
- Regional Seed Capital Program;
- Small Business Venture Capital Program;
- Subsidiary agreements under the 10-year Federal-Provincial Economic and Regional Development Agreement (ERDA).

During the 1988-89 fiscal year, the Government Agents Branch and the Tourism Development Branch (both formerly part of the Ministry of Tourism and Provincial Secretary) became the responsibility of the Division.

Community and Regional Services Branch

This Branch supports local citizens and the use of local resources in their efforts to promote the economic health of communities in all regions. The Branch forms a proactive link between the Ministry of Regional Development and local and regional governments in a wide range of development issues.

The Branch is responsible for the Business Information Centres, the Home-Based Business Program, the Community Organizations for Economic Development Program and other initiatives.

During 1988-89 the Branch held educational events such as Marketing Your Community - Vancouver Island, conducted training workshops for Government Agents and Business Information Centres, installed 10 "Enterprise Centres-In-A-Box", and under the Community Organizations for Economic Development Program, provided financial assistance to 51 Business Development Commissions and Committees and funded 112 special projects.

Business Finance Branch

This Branch is responsible for the evaluation of business development projects and the implementation and coordination of financial incentive programs, including the Industrial Development and Small Business Incentives Subsidiary Agreements and the Regional Seed Capital Program. The Branch has the prime responsibility for negotiations with companies concerning their investment plans and requests for

government financing and the provision of financial analysis services to the Ministers of State.

In 1988-89, $24.2 million was approved for 14 projects under the Industrial Development Subsidiary Agreement, bringing the dollar total of loans approved by March 31, 1989 to $42.6 million.

This program is designed to strengthen the competitive position of existing major industries and help realize opportunities for increased industrial diversification. Other Industrial Incentive Fund approvals totalled $88.7 million.

Under the Small Business Incentives Subsidiary Agreement, the Branch approved 59 loans totalling $4.1 million, bringing the dollar total of loans committed to date to $17 million. This program assists small and medium-sized manufacturing companies to establish, modernize or expand.

During the year, the Branch approved and executed 29 loan guarantees under the Regional Seed Capital Program for a funding commitment of $1.1 million. This was the first full year of implementation of the program.

Equity Programs Branch

The mandate of the Branch is to support and encourage the raising of equity capital for the creation, expansion or refinancing of businesses in British Columbia. The Branch is responsible for the delivery of the Small Business Venture Capital Program.

During 1988-89, the Branch registered 40 Venture Capital Corporations which invested $11.1 million in 27 eligible small businesses. This levers an additional financing of $55 million to small businesses using a

ratio of five to one. The discussion paper on a proposed Employee Share Ownership Program was released in January 1989. The objectives of this program are to provide a vehicle for encouraging employee participation in the businesses in which they work, as well as providing an additional source of equity capital for British Columbia businesses. The Employee Share Ownership Act was introduced in the House on June 23, 1988.

Business Development and Investment Branch

The mandate of this Branch is to serve as a business advocate for the regions and the Province by identifying and marketing business and industrial opportunities in the regions and linking investors to these regional investment opportunities. The Branch also provides a policy, program evaluation and general strategic analysis capability for the Division as a whole.

The objectives of the Branch are met by linking international and domestic investors to regional investment opportunities; packaging and promoting regional investment opportunities; providing information on the provincial investment climate; designing program and policy initiatives to stimulate regional business and industrial activity; and monitoring and assessing business development activities and incentives in other jurisdictions to determine their impact and applicability for the Province.

During 1988-89, the Branch supported a variety of business and industry development and diversification initiatives. Regional access to offshore investors was facilitated through participation with the private sector in trade and investment events and the British Columbia/Washington State Cooperation Agreement.

The Branch is also responsible for the delivery of the $2-million Opportunity Identification and Assessment program under the Industrial Development Subsidiary Agreement. A major study, "A Value Strategy for B.C. Solid Wood Products," was completed under this program, with the conclusion that $1.2 billion in additional revenues could be generated by industry focusing on value-added production.

Tourism Development Branch

The mandate of the Tourism Development Branch is to assist the development and improvement of tourism businesses and services throughout the regions and to be the focal point within the Provincial Government for the provision of information and advice on tourism products.

The Branch is responsible for the administration of the Tourism Industry Development Subsidiary Agreement which provides loans for product development — destination resorts, events and attractions.

During the year, the Branch approved $2.5 million in total funding for 39 projects which are expected to create 1,921 jobs. Loan approvals under the agreement as of March 31, 1989 totalled $12.6 million.

In addition, the Branch completed a number of special projects as well as providing advice on tourism products and sub-sector opportunities to business and government, helping to improve the tourism operators' business knowledge, and facilitating new investment in the tourism sector.

Government Agents Branch

Government Agents are senior representatives of Government in the communities they serve and they provide:

- program delivery on behalf of ministries not having local representation;
- revenue collection and disbursements on behalf of ministries;
- problem-solving assistance to the public;
- a two-way information link between the Government and the public.

Government Agents deliver numerous programs and services on behalf of ministries and agencies, and fulfill such statutory roles as Provincial Collector of Rural Property Tax; District Registrar of Births, Deaths and Marriages; Gold Commissioner; Registrar of Voters; and Commissioner for Taking Affidavits. Their responsibilities vary with the needs of the communities they serve.

In 1988-89, the Branch substantially increased its work load. Government Agents collected rural property taxes; processed moves and transfers of mobile homes; conducted company and lien searches; received payment of Medical Services Plan payments; issued electrical and gas permits; recorded and maintained mineral right claims and leases; sold and controlled fish/wildlife licences and permits; assisted in court registry and fines collection; and assisted with mediation of landlord/tenant disputes.

During this fiscal year, the Branch implemented a new computer system, enhancing its ability to collect reve-

nue, account for all types of revenue payable to the Province, and provide daily reports to Treasury Branch, Ministry of Finance and Corporate Relations.

The Branch continued to develop the flow of information between government and the public by: using the facsimile network to provide news releases and program developments to local media; and providing all offices with access to information from databases including B.C. Medical Plan, Real Property Taxation and Consumer Taxation, Land Titles and Crown Lands.

B.C. Access Centres, providing community oriented "one-stop shopping" for Government information and services, were officially opened in Nanaimo and Terrace. The new centres provided easy access to Minister of State, Consumer Taxation, Employment Standards, Motor License Office, Liquor Inspection, Postal Services, Portable Weigh Scale and Safety Engineering services, in addition to the services already offered by the Government Agents Branch.

Planning was begun for centres in Chilliwack, Courtenay, Cranbrook, Duncan, Merritt, Prince George, Salmon Arm, Smithers and Vernon.

Economic Development Division

The Economic Development Division carries out a wide range of activities related to economic analysis and advice in support of policy and program design as well as identification of investment opportunities with emphasis on communication, emerging advanced/high tech and information sectors in order to promote diversity and growth in the provincial economy. The Division also provides advice and analysis on projects relating to growth in industries such as mining, smelting and refining, transportation, energy, industrial chemical and petrochemical sectors.

The Division acts as the prime point of contact with the Federal Government on matters of economic development and diversification.

Communications Policy and Programs Branch

The Communications Policy and Programs Branch was transferred to the Ministry of Regional Development from the Ministry of Provincial Secretary and Government Services, effective July 6, 1988.

The Branch is responsible for Provincial Government policy respecting telecommunications, broadcasting and related industries. In fulfilling its mandate the Branch represents British Columbia's interests in intergovernmental negotiations and regulatory proceedings, provides expert advice on communications matters to other ministries and agencies, and develops and implements regional programs to enhance communications facilities and services.

In 1988-89 the Branch completed 18 communications grants, totalling $949, 259. These grants helped to provide support services for 64 communities in British Columbia's various regions, mainly for access to the Knowledge Network, and also improved other television and radio services

The Branch completed Provincial position papers on the regulation of telecommunications, broadcasting and cable. It also represented British Columbia's interest in some 15 regulatory proceedings on communications industry matters. These included the 1988 B.C. Tel Revenue Requirements Hearing, license renewals for regional television stations and the restructuring of CBC Radio Services.

In cooperation with the Economic Diversification Branch, the Branch completed a strategic plan for fostering the continued development of British Columbia's telecommunications industry. This will ensure that other British Columbia firms are able to take full advantage of important advances within the industry.

Economic Diversification Branch

This Branch focuses on new and emerging areas of growth in the provincial economy. The Branch is responsible for policy development, economic analysis and the development of sectoral policies in electronics, software, subsea technology, advanced manufacturing, pharmaceuticals, biotechnology, medical products and business services.

Subsea Sector

The Branch provided strategic support for the organization of subsea companies. The result of this was the organization of a research and development corporation and the establishment of a subsea technology

centre for the industry. It is strongly felt that these vehicles will serve as a catalyst for the ongoing growth of the industry.

Information Technology Sector

Sectoral profiles and development plans were prepared for the information technology industries (electronics, communications, software). Strategies underway to maintain the industry's expansion momentum include the following:

- Attracting offshore companies in information technology industries to locate in British Columbia;
- Developing greater networking and joint ventures within British Columbia information technology industries, and between these industries and the resource-based industries;
- Improving British Columbia's world-class skills base in electronics and software, and flowing from this, encouraging entrepreneurial activity in the electronics field; and
- Developing contacts between information technology industries in British Columbia and those in other jurisdictions in order to ensure the maintenance of technological competitiveness.

Services Sector

The Branch provided input to the Federal Government regarding British Columbia's interests in the trade of services covered under the Uruguay round multi-lateral trade negotiations. The Branch also participated in task forces related to the export of architectural, engineering, educational, legal and cultural services to the Asia Pacific countries.

Other Advanced Technology Sectors

The Branch was represented on the steering committee and on key sector committees for the Science Council of British Columbia's Strategic Planning for Applied Research and Knowledge (SPARK) initiative. This ini-

tiative resulted in a series of plans for increased development and application of technology in over ten sectors, including biotechnology, information technology, manufacturing, forestry, agriculture and health services.

The Branch developed and implemented a Communications Industry Development Strategy and undertook the development of a statistical database to be used as the foundation for a full information base to promote the development of the B.C. advanced technology industry.

Resources and Infrastructure Branch

The Branch provides economic analysis and advice on major economic development projects and develops policies and strategies for economic growth, with specific responsibility for the mining, smelting and refining, energy, petrochemicals, industrial chemicals and transportation sectors.

In 1988-89, the Branch provided support to the Critical Industries Commission whose mandate was to explore ways of extending the life of major forestry and mining operations facing closure. As a result of the work of this Commission, a number of operations were made viable that would otherwise have closed, thereby protecting employment opportunities in many single-resource communities.

The Branch also pursued a number of industrial projects which were under consideration for British Columbia. This included providing information and analysis to developers, providing inter-ministry liaison and negotiating the terms of provincial support.

Examples include participation in the negotiation of an assistance package for the Cassiar McDame mine project, the negotiation of financial assistance for the Cominco Lead Smelter Modernization project, and the negotiation of the FMC project, involving the establishment of the first hydrogen peroxide plant in British Columbia.

Industrial Development and Policy Branch

The primary objective of the Industrial Development and Policy Branch is to identify and assess emerging economic development opportunities and to develop and advance strategies to promote diversity and growth in the provincial economy. The Branch also has sector responsibility for forest industry development.

Whereas in 1987, forest industry investment was centred on newsprint capacity, in 1988/89 the pulp and paper sector was the centre of capital expenditure planning. The Branch played a facilitating role in a number of environmentally driven chemical pulp projects and was active in advancing a new greenfield chemi-thermomechanical pulp mill project. Such projects are expected to generate some $2 billion in capital spending over 1989/90. In pursuing the government's objectives of economic diversification through higher value-added products, the Branch continued on a strategy to encourage further resource processing in the Province.

In its role as the Ministry's prime point of contact with the Federal Government on economic development policy matters, the Branch developed a strategy to maximize the benefits to British Columbia from the Western Diversification Initiative, resulting in the Branch becoming the lead agency in negotiating the

memorandum of understanding for implementing the Western Procurement Initiative.

The Branch took a lead role in coordinating the Province's participation in the Western Ministers' Working Group on Economic Diversification. This involved secretariat support and the provision of analysis related to the issues identified by the working group. One outcome of this participation was the signing of an agreement to reduce barriers to trade in Provincial Government procurement in the Western provinces.

In line with its responsibilities for economic policy, the Branch conducted ongoing analyses of program and policy development in relation to the Province's goal of economic diversification and regional growth. These studies sometimes included demographic and spatial analyses such as regional growth patterns, the divergent characteristics of the urban and rural economies, and the effect of population changes on the structure of the British Columbia economy.

Other analyses focused on purely economic trends such as the effects of the recession and the resultant modernization of the British Columbia forest industry, and the feasibility of special economic zones in British Columbia or alternative regional development strategies. The Branch also provided general analytical support for the initiatives and private submissions of other agencies and ongoing analysis of alternative resource pricing policies.

Management Services Division

On July 6, 1988, as a result of restructuring, a central Management Services Division was created in the Ministry of Regional Development to service the financial, administrative, personnel, communications and systems needs of the Ministry and the associated Ministries of State responsible for Crown Lands, Parks, Native Affairs, and Environment.

The related priority in the restructuring document and subsequent business plan for the Ministers of State was to develop integrated budget, staffing, communications and systems plans for the five ministries.

The Division operates within a matrix organizational model, whereby there is a direct reporting relationship to the Deputy Minister of Regional Development and a functional relationship to the four Associate Deputy Ministers.

Finance and Administration Branch

The Branch is responsible for financial services including accounting operations, payroll, budgets and loans administration, and provides advice and support on administrative matters such as vehicle coordination, facilities management and records management.

Personnel Services Branch

This Branch is responsible for the delivery of a broad range of human resource management services including: recruitment and selection, salary administration, position evaluation and organizational analysis, collective agreement administration and staff development, and safety services and records administration.

Computing Services Branch

This Branch provides systems support including technological expertise, end user support, facilities management, planning and systems development, through the use of staff resources dedicated to each major branch or program area.

Strategic Services and Communications Branch

This Branch ensures that information about Ministry programs is available to client groups; that the general public is aware of the role of the Ministry and views it positively; that the press has accurate information to assist them in reporting activities of the Ministry; and that the Minister and Ministry officials are advised on sensitive public relations issues. The Branch also coordinates regional communications initiatives with the information directors of the Ministers of State.

MINISTER OF STATE FOR MAINLAND/SOUTHWEST

Background

In July 1988, five Ministers of State were appointed to be responsible for the economic development and diversification of the eight development regions. Ministers of State were also assigned an additional portfolio.

The five Ministers of State are:

- Minister of Regional Development and Minister of State for Mainland/Southwest;
- Minister of State for Vancouver Island/Coast and North Coast and Minister Responsible for Parks;
- Minister of State for Thompson-Okanagan and Kootenay and Minister Responsible for Crown Lands;
- Minister of State for Cariboo and Minister Responsible for Environment;
- Minister of State for Nechako and Northeast and Minister Responsible for Native Affairs.

The Minister of State works closely with a regional development team consisting of the Regional Development Officer, the Regional Development Liaison Officer and the Regional Analyst. Although the structure and assigned titles vary somewhat from region to region, the broad working link between the Minister of State resource and the public it serves is the Regional Advisory Committee. Members are appointed by the Minister of State and consist of representatives of local government, business, industry and community-based interest groups. The advisory group is further divided into task forces, each with a sector-specific mandate. Task forces study their assigned jurisdiction on a regional/local basis, and report to the regional advisory groups, which funnel requests for funding and action to the Minister of State.

An example of the system in action is the "Freedom to Move" process, approved in the fall of 1988. Regional transportation committees are in the process of examining the transportation needs of their communities and these regional reports will form the basis of an overall, Province-wide transportation blueprint.

Minister of State for Mainland/Southwest

Responsibility for the Mainland/Southwest Development Region was transferred from the Ministry of Provincial Secretary and Government Services to the Ministry of Regional Development as a part of the Government restructuring which occured in July 1988.

During 1988-89, the Minister of State and his two Parliamentary Secretaries conducted public forums in nine communities throughout the region which resulted in 400 submissions from the general public on regional issues and concerns. The Parliamentary Secretaries followed up with a tour of the region's 34 communities. They met with Mayors and Councils, School Boards, Regional Districts and Chambers of Commerce in order to provide the opportunity for input on the regional development process. A report was prepared for the Minister which identified a broad range of community and agency issues and interests.

Throughout the year, Mainland/Southwest staff were involved in a wide range of activities that reached out to community organizations and individuals in an effort to identify their concerns and priorities. Staff also provided a range of business advisory services.

Initiatives in the Mainland/Southwest Region included:

Regional Advisory Board

The Minister of State established the Regional Advisory Board, consisting of the six chairmen of the regional districts in the Mainland/Southwest. The Board acted as a steering committee for the Minister of State and assisted the Minister and the Parliamentary Secretaries in determining priorities for the region.

Transportation Planning

The Minister of State initiated a major transportation study as part of the Provincial "Freedom to Move" transportation planning process. The study involves the Regional Advisory Board, six subcommittees which are reviewing the transportation priorities of their specific regional districts, and a Community Advisory Committee.

Film Centre

The Minister of State worked closely with the film industry to advocate for a Film Centre in order to promote major filming activities in the region.

Film Studio Complex

The Minister of State helped the North Shore Studios secure a $4.3 million loan from the Provincial Government's Industrial Incentive Fund to build a $22-million studio complex in North Vancouver.

Design Vancouver

With a grant of $55,000 from the Minister of State, Design Vancouver, an association involving design in many industry sectors, was able to hold a major conference and initiate Design Week, a week of promotional and educational activities featuring all aspects of design, including how to market and export design products.

Kent Plywood Plant

The Minister of State worked with employees, management, union and company officials to facilitate the employee purchase of Kent Plywood in Vancouver, in order to ensure the future of the plant and job security for employees.

Business Advisory Services

Regional Economic Officers held seminars throughout the Mainland/Southwest and met one-on-one with business people wanting to establish businesses or expand existing operations.